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**State of Vermont**  
**Public Service Board**

**MEMORANDUM**

To: Parties in PSB Docket No. 7466; Vermont Gas Systems, Inc.; EEU e-mail list

From: Susan M. Hudson, Clerk of the Board 

Re: EEU-2010-02 (Coordination of Energy Efficiency Utility and Vermont Gas);  
Notice of June 16, 2010, Workshop

Date: June 3, 2010

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On November 24, 2009, the Public Service Board ("Board") issued an Order approving a change in the structure of the Energy Efficiency Utility ("EEU"). In the November 24 Order, the Board discussed the roles of entities, besides Efficiency Vermont, that could be affected by the change to the EEU structure. With respect to Vermont Gas Systems, Inc. ("Vermont Gas"), the Board stated:

Vermont Gas currently provides energy efficiency services to its natural gas customers. This Docket did not address the role of Vermont Gas with respect to the EEUs. Currently, Efficiency Vermont and BED coordinate with Vermont Gas when they provide electric efficiency services to Vermont Gas customers. We will require this coordination to continue under the new structure.

However, we note that when the EEU Structure Working Group process began in 2007, the EEU delivered limited fossil-fuel efficiency services. Consequently, that workshop process, and this Docket that resulted from those workshops, focused primarily on the electric efficiency services provided by the EEU. Since that time, the Vermont Legislature has expanded the scope of the EEU's services to include heating and process-fuel efficiency, funded through mechanisms other than the EEC. Accordingly, it is appropriate to consider whether there should be any changes to Vermont Gas' relationship with the EEU as a result of the EEU's new responsibilities for heating and process-fuel efficiency. The Board will consider this issue in a separate process outside this Docket. Such consideration should be completed prior to the issuance of an initial Order of Appointment for an EEU.

Board staff will hold a workshop to discuss general issues related to coordination between the EEU and VGS. In addition, at the workshop Board staff intend to have a general discussion of the statutory requirements of VGS with respect to 30 V.S.A. § 209, as modified subsequent to the establishment of the EEU.

Section 209(d)(2) states:

In place of utility-specific programs developed pursuant to section 218c of this title, the board shall, after notice and opportunity for hearing, provide for the development, implementation, and monitoring of gas and electric energy efficiency and conservation programs and measures including programs and measures delivered in multiple service territories, by one or more entities appointed by the board for these purposes.<sup>1</sup>

If VGS should be included within the framework of the EEU, as appears to be the case pursuant to Section 209(d)(2), then other requirements contained in Section 209(d) and (e) would also appear to apply to VGS (and to any entity appointed to deliver natural-gas efficiency and conservation programs and measures).

Board staff will conduct a workshop on Wednesday, June 16, 2010, at 9:30 A.M., to discuss these issues. The workshop will be held at the Public Service Board Hearing Room, Third Floor, Chittenden Bank Building, 112 State Street, Montpelier, Vermont. In preparation for the workshop, any interested person may file comments by June 14, 2010. Comments should refer to matter number EEU-2010-02 (Coordination of EEU and Vermont Gas).

The Board is creating a separate e-mail distribution list for this issue. If you are interested in receiving further correspondence on this issue, please notify the Clerk of the Board ([psb.clerk@state.vt.us](mailto:psb.clerk@state.vt.us)) to be added to the distribution list.

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<sup>1</sup>Pursuant to Public Law 92 (2007 Vt., Adj. Sess.), the word "shall" replaced the word "may" in the first sentence of Section 209(d)(2).